



Ecommerce Websites

Is adding a shopping cart right for you?

BY DON KRESKI

“I have a credit card in my hand. Why can’t I buy it right now?”

According to Ed Elliott, president of equipment case manufacturer Jelco, that simple question prompted his company to revamp its website and add a more prominent shopping cart this year.

“Our dealers continue to be our main sales channel,” Marketing Manager Cheryl Elliott says. “But there are customers who want to buy direct from the manufacturer. So we decided to make it easier for them to buy from us.”

Jelco is one of a growing list of pro AV companies that have added e-commerce sections to their websites. With many good, off-the-shelf shopping carts available—including a cart from Google that’s available for no charge—adding e-commerce keeps getting easier. Yet the question of whether it’s right for your company goes a little deeper than whether it’s possible.

I recently spoke to six executive managers of AV, security, and web-development firms about their experiences. They had some surprising advice for those considering the addition of direct-sales capabilities to their websites.

FAST AND SMART

Kelly Lamison is vice president of Internet marketing and development for Tampa, Fla.-based AVI-SPL. She is in charge of the development of AVI-SPL’s well-known Projector People website. Jennifer Blomberg is Projector People’s senior vice president of sales. The two credit the success of the site to a number of factors:

- Having a highly informative website
- Fast service and low prices. Projector People stocks most of what it sells and offers free shipping and a 30-day return policy.
- A professional sales team. Though the shopping cart is important to Projector People, Blomberg says that customers push the buy button on only 30 percent of the orders that come through.

For that reason, the company employs 11 highly experienced sales people.

“My least-tenured sales person has been with us seven years and my most tenured, 15,” Blomberg says. She asks sales people to call every customer, even those who have submitted a completed order, before the purchase goes through. “We try to make sure our customers know what they’re getting, and we want to establish a relationship that can lead to repeat business and to referrals,” she says.

NICHE STRATEGY

John Hillsman, marketing manager of Elgin, Ill.-based Educational Resources, says his company takes a narrower approach, selling only to schools. “We have chosen not to go into other areas because we find that if we play in a smaller pond, we tend to be a larger fish,” he says.

Specialization, Hillsman says, allows the company to tailor offerings of special interest to its K-12 clients. “For example, we’ve built entire websites geared to available federal funding. That’s not something you’re going to find at a CDW or a Staples.”

Like Projector People, Educational Resources depends heavily on an inside sales force, but it does a great deal of direct mail to supplement its electronic marketing. It uses its inside sales force to make regular outbound telemarketing calls as well as fielding incoming inquiries. Educational Resources also employs a small outside sales force to look into larger sales opportunities, but ecommerce remains an important part of the company’s approach.

“There are going to be users out there who know exactly what they want and who have done their research,” he says. “The Web has greatly aided our customers’ ability to get the information they need ahead of a call.”

BID STRATEGY

Bob Carlson, chief operating officer of United Visual in Itasca, Ill., says his company has had an online catalog and shopping cart since 1999, but it uses it now mainly to serve individual large customers. For that reason, United Visual has been transforming its site to emphasize AV integration and online procurement.

“A university will put out a bid and say, ‘We want to buy Extron, AMX, and Epson projectors,’” Carlson says. “We basically do a customized page that’s their entry point to our site where they can see the products they’ve contracted with us to buy. We end up filling the database with items that only they can see.”

Carlson says the first time United Visual modified the site for a bid customer, it took a lot of planning and programming.

“But once you’ve built out one, creating a build-out for somebody else is easy,” he says. “The only place where there’s significant labor involved is adding the products and setting the right percentages as per your agreement.”

SPECIALIZED SERVICE STRATEGY

Vince Graham, founder and president of Leeds, N.Y.-based Security Design Services, sells commercial security cameras and related gear to customers who

will do their own installation.

“What integrators don’t like to hear is that most of this stuff isn’t brain surgery. ... We have a place on our website where you can answer a few questions and, within an hour, have a proposal in front of you for an entire system—cables, connectors, crimp tools, cameras, whatever it is,” Graham says.

This isn’t a strategy that will suit every customer, but it appeals to a target market needing small security systems and another target with larger needs, but with an inhouse maintenance staff who can do the labor. “I have a drawing on my desk right now for a \$40,000 system,” he says.

Though Graham and others at the firm spend much of their day creating drawings and equipment lists, they do the designs at no charge, taking their profits from the equipment sales.

“The key here is to be at a point with our manufacturers where we’re buying at their best rate,” Graham says. “There is a threshold where someone will spend a little more if he’s confident he will get help with a problem, but it’s not a lot more. We also hand-pick the products we sell. We need to keep our five-star rating on Yahoo Shopping, and we can do that only by selling products that we know will work.”

Graham draws on a background as a security system designer and integrator, but the online effort, now 10 years old, has been so successful he no longer does installations.

BUILDING AN ECOMMERCE WEBSITE

Tron Fu, founder and owner of web developer Riverwatcher Studios, says that building an ecommerce website is far less difficult and expensive than it once was.

“In the old days, people were charging hundreds of thousands of dollars for an ecommerce shopping system, but now I’d be surprised to see anything more than \$15,000,” Fu says. The price of buying and adapting an off-the-shelf

product, he says, may be as low as \$2,000 to \$5,000.

On the other hand, if you’re considering a shopping cart, he suggests you ask yourself what your specific market space is like. What are your customers’ expectations? Do you have a competitor who offers a really smooth shopping experience that you must somehow distinguish yourself from?

That is to say, if you can offer a product or service that’s unique, you may be able to get away with a fairly standard website and shopping cart. If not, then you need something more.

And that’s really what each of these Internet sellers is doing. Projector People is large enough to compete on several attributes: personal service, price, convenience, information, and availability, and it has invested in a website that’s strong on many levels. The others, with less overall market power, choose to focus on specific strengths.

It’s a traditional marketing equation. What is it that your company is best at, and how can you translate that knowledge and ability to an ecommerce strategy? **SVC**